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PERMANENT COMMISSION ON THE STATUS OF WOMEN

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**Testimony of
Natasha M. Pierre
Associate Legislative Analyst
The Permanent Commission on the Status of Women
Before the
Government Administration and Elections Committee
Wednesday, February 22, 2006**

Re:

H.B. 5050, AAC The State Set-Aside Program

Good morning Senator DeFronzo, Rep. Caruso and members of the Committee. My name is Natasha Pierre and I am the Associate Legislative Analyst for the Permanent Commission on the Status of Women. Thank you for this opportunity to testify on **H.B. 5050, AAC The State Set-Aside Program**, which would modify the definition of "small contractor" in the state set-aside program to require that a small contractor meet the size standard established by the Department of Administrative Services in each business sector in which contractors, subcontractors, manufacturers or service companies operate.

In Connecticut there are approximately 118,583 privately owned firms in which women own equal or majority share. Between 1997 and 2004, the number of businesses owned by women, their employment level, and their sales increased significantly— a 64% increase in the number of businesses; a 94% increase in the number of persons employed by such businesses, and; a 76% increase in sales.¹

¹ Center for Women's Business Research, "Women-Owned Businesses in Connecticut, 2004: A Fact Sheet."

PCSW collaborates with the Connecticut Chapter of the National Association of Women Business Owner (CT-NAWBO), and convenes the Women's Economic Development Initiative (WEDI), to support the growth of women-owned small businesses in Connecticut. Through our collaborations, we have consistently heard that the set-aside program excludes many small businesses by its definition that small contractors are businesses with annual revenue of less than \$10 million dollars.

A CT-NAWBO survey revealed that many business owners gross between \$400,000 and \$3 million a year. These businesses consider themselves to be "microenterprises." There are at least two definitions for microenterprises. The Microenterprise Resource Group (MERG) defines it as a business with fewer than 5 employees and less than \$50,000 in capital. The Department of Economic Community Development (DECD), in its revolving loan fund program, defines it as a business with a maximum of 25 employees and gross sales of no more than \$2 million. Both of these definitions are far below the \$10 million dollar mark in the set-aside program.

We understand that the issue cannot be addressed by simply changing the definition of a small contractor to a business with annual revenue of \$3 million because in certain industries, such as construction, a \$9 or \$10 million business is still very small. However, we would suggest that the appropriate authority explore a carve out for microenterprises when determining the size standard in each business sector.

We offer our assistance in any efforts to address the concerns of small businesses and microenterprises. Thank you for this opportunity to speak on behalf of many women businesses owners in this state.